

HOUSE BILL No. 1086

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-8-11-10; IC 27-13-1-11.5; IC 27-13-15-5.

Synopsis: Coverage for dialysis treatment. Specifies requirements related to accident and sickness insurer and health maintenance organization contracting with dialysis facilities, and benefits, payment, and billing for dialysis treatment. (The introduced version of this bill was prepared by the interim study committee on dialysis coverage.)

Effective: Upon passage.

Fry

January 7, 2009, read first time and referred to Committee on Insurance.

C
o
p
y



First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

HOUSE BILL No. 1086

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 27-8-11-10, AS ADDED BY P.L.111-2008,
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 10. (a) As used in this section, "dialysis
4 facility" means an outpatient facility in Indiana at which a ~~dialysis~~
5 ~~treatment~~ provider provides dialysis treatment.
6 (b) As used in this section, "contracted dialysis facility" means a
7 dialysis facility that has entered into an agreement with a particular
8 insurer under section 3 of this chapter.
9 (c) Notwithstanding section 1 of this chapter, as used in this section,
10 "insured" refers only to an insured who requires dialysis treatment.
11 (d) As used in this section, "insurer" includes the following:
12 (1) An administrator licensed under IC 27-1-25.
13 (2) An agent of an insurer.
14 (e) As used in this section, "non-contracted dialysis facility" means
15 a dialysis facility that has not entered into an agreement with a
16 particular insurer under section 3 of this chapter.
17 (f) An insurer shall not require an insured, as a condition of



C
o
p
y

coverage or reimbursement, to:

- (1) if the nearest dialysis facility is located within thirty (30) miles of the insured's home, travel more than thirty (30) miles from the insured's home to obtain dialysis treatment; or
- (2) if the nearest dialysis facility is located more than thirty (30) miles from the insured's home, travel a greater distance than the distance to the nearest dialysis facility to obtain dialysis treatment;

regardless of whether the insured chooses to receive dialysis treatment at a contracted dialysis facility or a non-contracted dialysis facility.

(g) An insurer shall, upon request of the insured, make all claim payments for dialysis treatment payable only to the dialysis facility and not to the insured, regardless of whether the dialysis facility is a contracted dialysis facility or a non-contracted dialysis facility.

(h) A policy that is issued by an insurer that provides coverage for dialysis treatment may not apply:

- (1) benefit restrictions;**
- (2) deductible, copayment, coinsurance, or other out-of-pocket expense requirements; or**
- (3) maximum lifetime coverage limitations;**

to the coverage for dialysis treatment that are less favorable to an insured than the benefit restrictions, deductible, copayment, coinsurance, or other out-of-pocket expense requirements, or maximum lifetime coverage limitations that apply to all other medical and surgical benefits under the policy.

(i) A dialysis facility or provider shall not bill an insured for any amount that exceeds:

- (1) the amount paid by the insurer; plus**
- (2) any applicable deductible, copayment, coinsurance, or other expense paid by the insured;**

in connection with dialysis treatment. An insurer that receives from an insured written proof that a dialysis facility or provider has violated this subsection shall not reimburse the dialysis facility or provider for any health care services rendered to any insured until the insurer receives written proof that the dialysis facility or provider has canceled the bill and reimbursed the insured in full any amount paid in relation to the amount billed in violation of this subsection.

(j) This subsection applies to an agreement entered into under section 3 of this chapter between a contracted dialysis facility and an insurer that includes a dispute resolution provision. If:

- (1) a party to the agreement attempts to change the terms of**

**C
o
p
y**



the agreement while the agreement is in effect;

(2) the other party to the agreement refuses to accept the change described in subdivision (1); and

(3) the parties to the agreement cannot resolve the disagreement according to the dispute resolution provision of the agreement;

the dialysis facility and insurer shall submit to binding arbitration by a neutral arbitrator selected by agreement of the parties. If the parties do not agree upon a neutral arbitrator within two (2) weeks after the selection process begins, the commissioner of the department of insurance shall select a neutral arbitrator.

(k) This subsection applies to an agreement entered into under section 3 of this chapter between a contracted dialysis facility and an insurer that does not include a dispute resolution provision. If:

(1) a party to the agreement attempts to change the terms of the agreement while the agreement is in effect;

(2) the other party to the agreement refuses to accept the change described in subdivision (1); and

(3) the parties to the agreement cannot resolve the disagreement less than sixty (60) days after the party described in subdivision (1) receives written notice from the party described in subdivision (2) that the party described in subdivision (2) refuses to accept the change to the terms of the agreement;

the dialysis facility and insurer shall submit to mediation by a neutral mediator selected by the commissioner of the department of insurance. If mediation does not result in resolution of the disagreement less than thirty (30) days after mediation proceedings begin, the parties shall submit to binding arbitration by a neutral arbitrator selected by agreement of the parties. If the parties do not agree upon a neutral arbitrator within two (2) weeks after the selection process begins, the commissioner of the department of insurance shall select a neutral arbitrator.

(l) The department may adopt rules under IC 4-22-2 to implement this section.

SECTION 2. IC 27-13-1-11.5, AS ADDED BY P.L.111-2008, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11.5. "Dialysis facility" means an outpatient facility in Indiana at which a dialysis treatment provider provides dialysis treatment.

SECTION 3. IC 27-13-15-5, AS ADDED BY P.L.111-2008, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

C
o
p
y



UPON PASSAGE]: Sec. 5. (a) Notwithstanding IC 27-13-1-12, as used in this section, "enrollee" refers only to an enrollee who requires dialysis treatment.

(b) As used in this section, "health maintenance organization" includes the following:

(1) A limited service health maintenance organization.

(2) An agent of a health maintenance organization or a limited service health maintenance organization.

(c) A health maintenance organization shall not require an enrollee, as a condition of coverage or reimbursement, to:

(1) if the nearest dialysis facility is located within thirty (30) miles of the enrollee's home, travel more than thirty (30) miles from the enrollee's home to obtain dialysis treatment; or

(2) if the nearest dialysis facility is located more than thirty (30) miles from the enrollee's home, travel a greater distance than the distance to the nearest dialysis facility to obtain dialysis treatment;

regardless of whether the enrollee chooses to receive dialysis treatment at a dialysis facility that is a participating provider or a dialysis facility that is not a participating provider.

(d) A health maintenance organization shall, upon request of the enrollee, make all claim payments for dialysis treatment payable only to the dialysis facility and not to the enrollee, regardless of whether the dialysis facility is or is not a participating provider.

(e) An individual contract or a group contract that provides coverage for dialysis treatment may not apply:

(1) benefit restrictions;

(2) deductible, copayment, coinsurance, or other out-of-pocket expense requirements; or

(3) maximum lifetime coverage limitations;

to the coverage for dialysis treatment that are less favorable to an enrollee than the benefit restrictions, deductible, copayment, coinsurance, or other out-of-pocket expense requirements, or maximum lifetime coverage limitations that apply to all other medical and surgical benefits under the individual contract or group contract.

(f) A dialysis treatment facility or provider shall not bill an enrollee for any amount that exceeds:

(1) the amount paid by the health maintenance organization; plus

(2) any applicable deductible, copayment, coinsurance, or other expense paid by the enrollee;

C
o
p
y



1 in connection with dialysis treatment. A health maintenance
 2 organization that receives from an enrollee written proof that a
 3 dialysis facility or provider has violated this subsection shall not
 4 reimburse the dialysis facility or provider for any health care
 5 services rendered to any enrollee until the health maintenance
 6 organization receives written proof that the dialysis facility or
 7 provider has canceled the bill and reimbursed the enrollee in full
 8 any amount paid in relation to the amount billed in violation of this
 9 subsection.

10 (g) This subsection applies to a contract entered into under this
 11 chapter between a dialysis facility that is a participating provider
 12 and a health maintenance organization that includes a dispute
 13 resolution provision. If:

14 (1) a party to the contract attempts to change the terms of the
 15 contract while the contract is in effect;

16 (2) the other party to the contract refuses to accept the change
 17 described in subdivision (1); and

18 (3) the parties to the contract cannot resolve the disagreement
 19 according to the dispute resolution provision of the contract;
 20 the dialysis facility and health maintenance organization shall
 21 submit to binding arbitration by a neutral arbitrator selected by
 22 agreement of the parties. If the parties do not agree upon a neutral
 23 arbitrator within two (2) weeks of beginning the selection process,
 24 the commissioner of the department of insurance shall select a
 25 neutral arbitrator.

26 (h) This subsection applies to a contract entered into under this
 27 chapter between a dialysis facility that is a participating provider
 28 and a health maintenance organization that does not include a
 29 dispute resolution provision. If:

30 (1) a party to the contract attempts to change the terms of the
 31 contract while the contract is in effect;

32 (2) the other party to the contract refuses to accept the change
 33 described in subdivision (1); and

34 (3) the parties to the contract cannot resolve the disagreement
 35 less than sixty (60) days after the party described in
 36 subdivision (1) receives written notice from the party
 37 described in subdivision (2) that the party described in
 38 subdivision (2) refuses to accept the change to the terms of the
 39 contract;

40 the dialysis facility and health maintenance organization shall
 41 submit to mediation by a neutral mediator selected by the
 42 commissioner of the department of insurance. If mediation does

C
o
p
y



1 not result in resolution of the disagreement less than thirty (30)
2 days after mediation proceedings begin, the parties shall submit to
3 binding arbitration by a neutral arbitrator selected by agreement
4 of the parties. If the parties do not agree upon a neutral arbitrator
5 within two (2) weeks after the selection process begins, the
6 commissioner of the department of insurance shall select a neutral
7 arbitrator.

8 (i) The department may adopt rules under IC 4-22-2 to
9 implement this section.

10 SECTION 4. [EFFECTIVE UPON PASSAGE] (a) IC 27-8-11-10,
11 as amended by this act, applies to an agreement between an insurer
12 and a dialysis facility that is entered into, amended, or renewed on
13 or after the effective date of this act.

14 (b) IC 27-13-15-5, as amended by this act, applies to a contract
15 between a health maintenance organization and a dialysis facility
16 that is entered into, amended, or renewed after the effective date
17 of this act.

18 SECTION 5. An emergency is declared for this act.

C
o
p
y

